

Voting Policy



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Background:

In line with the SEBI Circular dated March 15, 2010, the Investment Manager is required to disclose general policies and procedures for exercising voting rights in respect of shares held by them on their website as well as in annual reports which provided to the unitholders.

Amongst other things, the responsibility of investment manager also includes the duty of exercising voting rights in the interest of its clients in respect of investments made in the shares held by it on behalf of clients in companies.

As a process, the Investment Manager shall review the proposals put up for voting even though they may be considered to be routine matters and exercise a vote in the best interest of clients. Each proposal is considered based on the relevant facts and circumstances. The investment manager shall deviate from the general policies and procedures when it believes and understands that particular facts and circumstances warrant such deviation to protect interests of its clients. Such deviations if any, would be recorded in writing and informed to the CEO.

The primary factor for determining the desirability of a particular company is the quality, depth of the company's management and corporate governance standards. Accordingly, the recommendation by the management on any issue will be considered by the Investment Manager in determining how to vote whilst the Investment Manager will apply its discretion.

The Investment Manager will not support the position of the Company's management in any situation where it determines that the ratification of management's position would adversely affect the investment merits of owning that company's share.

The Investment Manager may utilise the services of unaffiliated third party professional agency for getting in-depth analysis. The Investment Manager may also delegate the voting administrative activities to a third party or any designated department.

Voting Procedure:

The Investment Manager understands that its voting decisions may affect the value of shareholdings. Therefore, the Investment Manager will generally attempt to process every proposal it receives for voting.

However, there may be situations in which the Investment Manager may be unable to vote, or may choose not to vote including but not limited to:

1. Proposal was not received from the custodian;
2. Notice of the meeting was received late;
3. The shares held were only on record date and were sold prior to the meeting date;
4. Proxy Voting service is not offered by the custodian in the market;
5. It is not in the best interest of the clients to vote for any other reason not enumerated herein;
6. A security is subject to the securities lending program or similar program that has transferred legal title to the specified instruments to another person.

Conflict of Interest:

The Investment Manager is an affiliate of a large, diverse financial services firm with many affiliates and makes its best efforts to avoid conflict of interest. However, conflict of interest can arise in certain situations.

Few examples of such situations are:

- Investee Company is a client of the Investment Manager or its affiliates
- A director of the Investment Manager or its affiliates is a director in the Investee Company
- Investment Manager or its affiliates are a lender to the investee company
- Investee Company is an entity participating to a material extent in the distribution of products managed or advised by the Investment Manager or its affiliates

In case if there arise any conflict, the Investment Manager shall endeavour to resolve the conflicts considering the best interest of clients. Nonetheless, even though a potential conflict of interest exists, the investment manager may vote in opposition to the recommendations of an investee company's management.

Voting Principles:

Corporate governance issues are diverse and continuously evolving. Whilst it is difficult to provide an exhaustive list of such issues, the following guidelines / policies reflect what Investment Manager believes to be good corporate governance measures and the position it may generally take with respect to the below matters:

Corporate Governance Matters:

Investment Manager supports resolutions like change in state of incorporation, merger and other corporate restructuring, which are in the interest of unit holders of the Fund. Investment Manager will analyse various economic and strategic factors in making the final decision on a merger, acquisition or any other corporate restructuring proposals. An external adviser may be consulted on any voting proposal.

However, the Investment Manager will vote against resolutions pertaining to takeover by an acquirer, which are against the interest of the unit holders.

Investment Manager will consider all the proposal and carefully vote against any proposals.

Change in capital structure:

Investment Manager understands that company's decision pertaining to financing has a material impact on its shareholders, in particular when it involves the issuance of additional shares or assumption of additional debt. Investment Manager will review the matter on a case to case basis, and provides its view after considering the purpose of the change in capital structure.

Stock Option Plan and other proposals pertaining to management compensation:

The Investment Manager would support such remuneration proposals, which are aligned with the long term interest of the shareholders. The Investment Manager will subjectively evaluate the plan considering several factors in order to determine whether the plan is fair and reasonable e.g. whether the plan is excessively dilutive or whether the compensation is directly linked to the performance of the company

Social and Corporate Responsibility:

The Investment Manager shall normally support or will not vote against proposals that would enable the investee company to contribute to social development, community welfare and environment protection or those that are reasonably expected to bring in significant socio-economic benefits. For this purpose, the Investment Manager shall consider the reasonableness of the amount proposed to be sent.

Board of Directors:

The Investment Manager believes in the philosophy of having an independent board of directors as the same is key to complying with good corporate norms. Investment Manager would support an independent board of directors, and the key committees such as audit, IPO and remuneration committees etc. to be comprised of independent members.

Review & Control:

The recommendation provided by the investment team will be authorised by the senior member of the investment team. The rationale for each decision will be recorded and presented for review to the Investment Management Committee or any other committee as may be identified from time to time.

Disclosure of Voting Policy and Exercise of Proxy Votes:

The policy will be on the website _____

The following periodical disclosures shall be made available on the aforesaid website and/or in the Annual report for the financial year distributed to the unitholders:

- a. Details of votes exercised and abstained along with the rationale on a quarterly basis within 10 business days from the end of each quarter in the prescribed format by SEBI as amended from time to time.
- b. Details of votes exercised and abstained along with the rationale during the financial year prescribed format as amended from time to time shall be disclosed in the Annual report and on the website
- c. Certificate from the Scrutiniser on the voting disclosures and the details pertaining to exercise of votes in general meetings of the investee companies will be published in the annual report and the website.

Review of the policy:

The policy shall be reviewed annually or as and when needed.

Any regulatory changes shall be updated in policy in line with the regulatory requirements. The policy shall be amended with prior approval of the Boards of AMC/Trustee Companies.





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